

UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD

**GENERAL INFORMATION ABOUT CONTINUING IN OR RETURNING TO NON-RAILROAD
EMPLOYMENT AFTER RETIREMENT**

**A. WORKING IN NON-RAILROAD EMPLOYMENT AFTER RETIREMENT AFFECTS THE
PAYMENT OF AN EMPLOYEE AND SPOUSE ANNUITY**

- Prior to December 1, 1988, the employee or spouse had to stop all work for pay outside the railroad industry that was considered "last person service" and also give up any rights to return to this work in order to receive an age and service annuity.

B. "LAST PERSON SERVICE"

- "Last Person Service" is a term that generally refers to the last employment with a non-railroad person, company or institution prior to retirement which was performed at the same time or after the person stopped railroad employment. Even work for which the employee or spouse received minimum earnings can be considered "last person service" employment.

**C. THE EMPLOYEE OR SPOUSE NO LONGER NEEDS TO STOP WORKING IN "LAST PERSON
SERVICE" TO RECEIVE AN ANNUITY**

- Beginning December 1, 1988, an employee or spouse can
 - 1) continue working in non-railroad employment or,
 - 2) return to work for the last non-railroad person or company for which the employee or spouse ceased employment in order to receive an annuity under the Railroad Retirement Act.

However, certain "last person service" work deductions will apply. These deductions are in addition to any work deductions which apply if the employee or spouse earns over the annual earnings exempt amount.

D. EARNINGS RESTRICTIONS

- If the employee or spouse continues in or returns to "last person service" employment, the tier II benefit and any supplemental annuity payment is subject to a reduction of one dollar for each two dollars of compensation received in "last person service," up to a maximum of 50 percent of each component.
- If an employee continues in "last person service," both the employee and spouse annuity are subject to deductions, even if the spouse is not in "last person service"
- Regular work deductions which affect the tier I and vested dual benefit components still apply to all earnings over the annual earnings exempt amount. If regular work deductions apply, the employee or spouse could also lose one dollar for every two dollars earned over the annual earnings exempt amount in these components.

E. THE RAILROAD RETIREMENT BOARD WILL DETERMINE IF THE NON-RAILROAD EMPLOYMENT IS “LAST PERSON SERVICE”

- The Railroad Retirement Board will determine if non-railroad employment is considered “last person service.” Some types of non-railroad work, including self-employment are not considered “last person service” employment no matter when they are performed. These jobs will no have “last person service” earnings restrictions assessed against them.
- Contact the nearest office of the U.S. Railroad Retirement Board for further information Monday through Friday from 9:00 a.m. to 3:30 p.m.

F. THE EMPLOYEE OR SPOUSE MUST CONTACT THE RAILROAD RETIREMENT BOARD IMMEDIATELY IF (S)HE RETURNS TO “LAST PERSON SERVICE” EMPLOYMENT

- An employee or spouse must notify the Railroad Retirement Board immediately, if (s)he returns to work in “last person service” employment.
- If the employee or spouse is filing for an annuity, this information will be requested at the time of filing.
- A written statement must be submitted if the employee or spouse has already retired and wishes to return to work in “last person service” employment. The statement should include:
 - ● an estimate of the expected average monthly earnings
 - ● the name and address of the employer; and
 - ● the beginning date of the employment.
- The employee or spouse must also submit a final report of these earnings to the Railroad Retirement Board by April 15 of the year following the “last person service” employment. This final report is required by law.
- If the employee or spouse does not notify us promptly, (s)he may be paid more annuity than is due and have to refund the overpayment.
- The employee or spouse should also notify the Railroad Retirement Board immediately, if the previous earnings estimate changes or (s)he stops working.